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TAGS: PGOV ECON EPET ENRG MZ AO

SUBJECT: ANGOLA-MOZAMBIQUE RELATIONSHIP IMPROVING

11. Building on the 2005 visit of Mozambican President Armando Guebuza to Luanda (the first foreign trip of his presidency), Angolan President Jose Eduardo dos Santos made his first state visit to Maputo on October 30-31, accompanied by a large delegation of businessmen. The two presidents signed bilateral cooperation agreements on energy, oil, science, technology, mining, agriculture and fisheries, higher education and staff training, media and territorial administration. The Angolan President also announced the GoA's intention to forgive at least some (if not all) of the estimated \$40 million in bilateral debt owed by Mozambique.

Comment: From Mozambique, the Angola-Mozambique relationship has never seemed a close one. Despite linguistic ties, Mozambicans resent Angola's oil wealth and a perceived Angolan air of superiority. As prospects of discovering commercially viable quantities of oil in Mozambique look increasingly encouraging, the GRM wants to benefit from Angolan experience in this sector, while dos Santos expressed interest in learning about Mozambique's experience in a national reconstruction process. Furthermore, the improved relations between the two countries may have a regional dimension as well. Some commentators in Mozambique believe that as the January 1, 2008 SADC economic integration deadline approaches, and the potential for increased economic dominance by South Africa, a growing Angola-Mozambique alliance could help serve each other's interests. End Comment. Chapman